

The Korsin Plan — Revenue Bases

Every levied base and its components, as built in Model v91. One flat rate of 5.95% applies to all seventeen sources.

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Fundamental Principles of Revenue Collection

1. The Social Security proposal is dedicated to social security recipients and their funders and nothing else. It is not designed nor does it attempt to solve societies other problems. If external entities such as the Treasury, federal debt holders or the stock market benefit from Social Security it is because it is in the best short and/or long term interest of Social Security and nothing else – Social Security is the fiduciary for all social security recipients.
2. The fiscal goal of social security is permanent solvency for the full 75 year actuarial window for the mandated benefits under any reasonable economic scenario including a severe multiyear, steep recession and stock market crash
3. There is a single rate, without exception, for every revenue stream that supports social security
4. There is no income stream, earned or unearned, from any source whatsoever - capital gains, trusts, dividends, corporate profits, real estate gains, inheritance, cash transactions or any other income stream, exempt from contributing to the social security fund.
5. All income, from all sources, is taxed once, and only once, without exception.
6. Our guiding values are solvency, decency, consistency, simplicity, efficiency

Summary of all bases

Base	Base \$bn	Revenue \$bn
BASE 1 — wages, commissions, bonuses, realized equity comp (no cap)	13,529	804.98
BASE 2 — inheritances, taxed at source on the gross flow	2,662	158.40
BASE 3 — corporate cash flow: EBIDA+ option grants + exec pay (bea nipa table 1.14)	9,860	586.67
BASE 4 — capital gains, interest, dividends, option profits	4,612	274.41
BASE 5 — employer non-health benefits (401(k) matches, pensions, other supplements)	698.28	41.55
BASE 6 — net rent on individually-owned and single-member-llc property	274.5	16.33
SOURCE 7 — non-profit gross operating surplus (BEA NPISH basis)	275	16.36
SOURCE 8 — us-source investment income paid to foreign holders, withheld at source	1,080	64.26
SOURCE 9 — us persons working abroad for foreign employers, net of local contribution	110.1	6.55
SOURCE 10 — government and gse operating surplus	123.79	7.37
SOURCE 11 — nonresident-alien student and exchange visitor wages (f-1 / j-1 / m-1 / q)	15	0.89
BASE 12 — residential property disposal gains, real	177.98	10.59
SOURCE 13 — inside buildup, cash-value life insurance and nonqualified annuities	123.78	7.36
SOURCE 14 — real property gains rolled over under section 1031	53.67	3.19
SOURCE 15 — lottery prizes and gambling winnings, at source	136.97	8.15
SOURCE 16 — annual retained gain of irrevocable trusts, at the trustee	66	3.93
SOURCE 17 — royalties to individuals: oil, gas, minerals, patents, copyrights	53.45	3.18
TOTAL	33,852	2,014

BASE 1 — WAGES, COMMISSIONS, BONUSES, REALIZED EQUITY COMP (NO CAP)

Component	Value
Wages and salaries, 2026 (\$bn)	13,477
Equity compensation not already in W-2 wages (\$bn)	52
Include self-employment / proprietors' income? (1=yes)	0
Proprietors' income, 2026 (\$bn)	2,193

BASE 1 TOTAL (\$bn)	13,529	
Revenue from Base 1 (\$bn)	804.98	
Memo: current-law payroll tax on the same activity	1,368	
Life insurance death benefits paid, 2026 (\$bn)	100	

Sources and reasoning

Wages and salaries, 2026 (\$bn).

MEASURED, v70. BEA national income, compensation of employees, wages and salaries: \$12,958.656bn in 2025 (FRED A034RC1A027NBEA), grown 4% to \$13,477bn for 2026. Was \$13,495bn, built off a cited 2025 actual of \$12,976bn which is not the published figure -- the correction is small (0.13%) but the citation now matches the series. Commissions and bonuses are already inside this figure. THIS IS THE ANCHOR FOR THE WHOLE SECTOR TABLE: Constants C146 makes the corporate wage bill the residual against this cell.

Equity compensation not already in W-2 wages (\$bn).

Most equity comp -- RSUs and non-qualified options -- is ALREADY taxed as wages. Only ISOs and a few edge cases sit outside. This add-back is therefore small.

Include self-employment / proprietors' income? (1=yes).

NOW ZERO. Proprietors have moved to Base 3, where all non-corporate business is taxed on cash flow exactly as corporations are. Taxing them here too would double-count. This is the point of the big fix: same measure, same rate, regardless of legal form.

Memo: current-law payroll tax on the same activity.

12.40% on capped payroll. Base 1 raises about 59% of this. The uncapped base does not come close to offsetting the rate cut from 12.40% to 5.95%.

Life insurance death benefits paid, 2026 (\$bn).

ADDED v45. A death benefit is a transfer of wealth at death with a named payee -- the same flow Base 2 already levies -- and it is exempt by statute today. Leaving it out opens the standard estate-planning channel: life insurance passes OUTSIDE the estate, which is exactly why it is used. ACLI Life Insurers Fact Book puts US death benefit payments at roughly \$90-100bn a year. COLLECTION IS EASIER THAN ANY OTHER PART OF BASE 2 -- the insurer is the payer of record, the payment is cash, the payee is named, and 1099-R machinery already exists. No appraisal, so the valuation leakage at C28 does not really apply to this component.

BASE 2 — INHERITANCES TAXED AT SOURCE ON FLOW

Component	Value	
Annual inheritances and bequests, 2026 (\$bn)	2,600	
Lifetime gifts also taxed at source? (1=yes)	1	
Leakage -- migration to gifts and trusts	0.01	
Leakage -- valuation and collection on illiquid assets	0.03	
BASE 2 TOTAL (\$bn)	2,662	
Revenue from Base 2 (\$bn)	158.40	

Sources and reasoning

Annual inheritances and bequests, 2026 (\$bn).

Cerulli estimates ~\$2.5tn transferring in 2025, rising to ~\$3tn by 2030 and ~\$4tn by 2036 as the boomer transfer peaks.

Lifetime gifts also taxed at source? (1=yes).

THE ONE HOLE THAT MATTERS. If only transfers at death are taxed, wealth migrates to lifetime gifting and to trusts funded before death. Today's estate tax closes this with a unified gift-and-estate regime; this design needs the same.

Leakage -- migration to gifts and trusts.

With gifts captured on the same terms and no deductions available anywhere, there is almost nothing to plan into. Set to roughly 10% if the gift toggle above is 0.

Leakage -- valuation and collection on illiquid assets.

NOT a loophole -- an inherent difference between the bases. A dollar of wages is self-valuing; a farm or a private company is not, so somebody must appraise it before 5% can be withheld, and appraisals carry error. Withholding is near-perfect for financial assets, which are the bulk of the flow.

BASE 2 TOTAL (\$bn).

Gross basis, inheritances plus life insurance death benefits. Withheld at source before distribution, before charitable bequests, before any deduction. ON THE DOUBLE-TAXATION OBJECTION: premiums, like savings, came from income that had already borne the levy -- but that objection applies with equal force to inheritance itself, and both are answered by the flow rule. See the note near row 101.

BASE 3 — CORPORATE CASH FLOW: EBITDA + OPTION GRANTS + EXEC PAY (BEA NIPA Table 1.14)

Component	Value	
Net operating surplus, corporate business (\$bn)	4,180	
Consumption of fixed capital, corporate (\$bn)	2,920	
CORPORATE EBITDA (\$bn)	7,100	
Non-corporate business gross operating surplus (\$bn)	3,220	
Add back: option grants, stock comp and exec pay (\$bn)	0	
Memo: net dividends paid (\$bn) -- NOT deducted	1,850	
BASE 3 TOTAL (\$bn)	9,860	
Revenue from Base 3 (\$bn)	586.67	
Non-corporate gross operating surplus (\$bn) [D41 = legacy toggle, off]	3,220	

Sources and reasoning

Net operating surplus, corporate business (\$bn).

BEA NIPA Table 1.14 line 8. Q1 2026 ran at \$4,117bn annualised. Equals corporate profits plus net interest plus business transfers.

Consumption of fixed capital, corporate (\$bn).

Table 1.14 line 2. Q1 2026 ran at \$2,880bn. Depreciation and amortisation, added back.

CORPORATE EBITDA (\$bn).

Gross operating surplus of ALL US corporate business, financial and non-financial, public and private. Identical to gross value added (\$18,624bn) less employee compensation (\$10,130bn) less production and sales taxes (\$1,498bn). Both routes agree exactly.

Non-corporate business gross operating surplus (\$bn).

SWITCHED ON (D36=1). Partnerships, LLCs and sole proprietorships on the same cash-flow measure as corporations: proprietors income ~\$2,193bn + non-corporate depreciation ~\$900bn + non-corporate net interest ~\$420bn = \$3,220bn. This does NOT include rental income of persons, which is a separate national-accounts line and is taxed in Base 6 -- see row 41. Proprietors are removed from Base 1 so nothing is counted twice. No legal form sits outside a base.

Add back: option grants, stock comp and exec pay (\$bn).

ZEROED v71b, 10 Sep 2026. Was \$600bn. DOUBLE COUNT against Base 1. BEA defines wages and salaries to INCLUDE employee gains from nonqualified stock options, and BEA's 2008 briefing confirms NSO exercise gains are in the wage tabulations (built from QCEW payroll filings); ISOs are NOT in NIPA wages. RSUs and NQOs are FICA wages at vest/exercise -- IRC 3121(a)(22) excludes only ISOs -- so they already sit inside C16. Cash executive pay is likewise already in C16. The only genuine escape, ISOs and ESPP, is already carried at C17 (\$52bn).

Memo: net dividends paid (\$bn) -- NOT deducted.

dividends are levied AT SOURCE, at the paying corporation, so they remain inside Base 3 and are NOT deducted. A retirement account receiving a domestic dividend receives money already levied and owes nothing — there is no tax event in the account.

BASE 3 TOTAL (\$bn).

Gross corporate cash flow, no dividend deduction. v61: less C296, the GSE surplus now levied explicitly in Source 10. BEA places GSEs inside private financial corporations, so without this deduction they would be levied twice.

Non-corporate gross operating surplus (\$bn) [D41 = legacy toggle, off].

AUDIT FIX v23: this cell was labelled as the Base 6 rent deduction but actually holds the non-corporate gross operating surplus used by C36 (proprietors' income + non-corporate depreciation + non-corporate net interest). D41 is the rent-deduction toggle: 0 = no deduction, which is the setting used. Tested: there is no double count to remove.

BASE 4 — CAPITAL GAINS, INTEREST, DIVIDENDS, OPTION PROFITS

Component	Value	
Realized capital gains, 2026 (\$bn)	2,080	
Personal interest income (\$bn)	977	
Personal dividend income (\$bn)	372	
Gross capital income (\$bn)	4,651	
Share actually reachable by the levy	1	
BASE 4 TOTAL (\$bn)	4,612	
Revenue from Base 4 (\$bn)	274.41	
YEAR-ONE TOTAL VERSUS CURRENT LAW		

Sources and reasoning

Realized capital gains, 2026 (\$bn). Violently cyclical. Roughly \$2.3tn in 2021, about half that in 2022. This is the volatility problem in one line.

Personal interest income (\$bn). Was \$2,047bn — BEA PERSONAL INTEREST INCOME, of which more than half is IMPUTED depositor and insurance services (FISIM), an accounting construct with no payment behind it and therefore nothing to withhold on. Replaced with MONETARY interest actually received by persons: BEA NIPA Table 7.11, series B1138C, \$902.9bn in 2024, grown ~4% to 2026. Removing \$1,070bn of imputation from the base costs ~\$64bn a year and is the single largest correction in the model's history.

Personal dividend income (\$bn). v36 BACKSTOP: only dividends US persons receive from FOREIGN corporations, which have no US issuer to withhold. BEA ITA Table 4.1 (2024): portfolio dividends on equity \$300.4bn + investment-fund shareholder income \$43.3bn = \$343.7bn, grown ~4% to 2026. Domestic dividends are levied at source inside Base 3 and are deliberately NOT taxed again here. Direct-investment dividends (\$328bn) are a corporate repatriation flow, not a household one, and are excluded.

Gross capital income (\$bn). Gross capital income. v41: now includes estimated realized gains inside retirement accounts (C272), which the broker withholds on at source alongside taxable-account gains.

Share actually reachable by the levy. 100%. Everything an individual receives that was NOT taxed at source is taxable, gross, with no reachability haircut — the old 75% wrote off holders the levy could not chase, and under the backstop rule nobody is unreachable.

BASE 4 TOTAL (\$bn). Base 4 net of foreign tax already withheld on inbound dividends (C266). The levy reaches the receipt, not the gross declaration.

BASE 5 — EMPLOYER NON-HEALTH BENEFITS (401(k) MATCHES, PENSIONS, OTHER SUPPLEMENTS)

The pile that was missing. Employers paid \$15,745bn for labour in 2025 but only \$12,976bn of it was wages. The difference is supplements. Strip out the employer payroll taxes this plan abolishes, and strip out health insurance -- excluded by decision, because taxing employer health coverage is a separate fight with its own politics -- and roughly \$730bn of retirement contributions and other non-health benefits remains. Real compensation, taxed at nothing, while cash wages are taxed. That wedge is exactly the mechanism that eroded taxable payroll from about 90% of compensation to 70% over four decades.

Component	Value	
Supplements to wages and salaries, 2026 (\$bn)	2,880	
Less: employer payroll taxes this plan abolishes (\$bn)	-636.3	
Less: employer health insurance (EXCLUDED BY DECISION)	-1,545	
Non-health employer benefits (\$bn)	698.28	
Include Base 5? (1=yes)	1	

BASE 5 TOTAL (\$bn)	698.28	
Revenue from Base 5 (\$bn)	41.55	
Growth spread over payroll	0.01	
Note this also completes the older-worker argument from earlier: age-rated health premiums are the dominant employer-side cost of a senior worker, and they are currently subsidised by being untaxed. Taxing compensation uniformly removes that subsidy along with the per-head payroll tax.		
EXPLICITLY OUT OF SCOPE: CONSUMPTION		

Sources and reasoning

Supplements to wages and salaries, 2026 (\$bn). BEA 2025 actual of \$2,769bn grown ~4%. Employer health insurance, retirement contributions and employer payroll taxes. Entirely outside the payroll tax base today.

Less: employer payroll taxes this plan abolishes (\$bn). SCOPE: the employer OASDI share only. This plan abolishes that contribution, so it leaves Base 5 here. It does NOT touch the Medicare HI contribution, which is a separate rate under a separate statute -- that is removed at row 160 with the rest of the health exclusion, not here.

Less: employer health insurance (EXCLUDED BY DECISION). DECISION: health benefits are out of Base 5. Two components. First, employer-paid health coverage, \$1,350bn -- the largest single supplement, and taxing it would raise the cost of insuring a worker. Second, the employer Medicare hospital insurance contribution, computed live as wages (row 16) times EmployerHIRate, because Medicare is entirely outside this plan and its employer share arrives inside the BEA supplements figure at row 158. Row 159 removes only the OASDI share.

Non-health employer benefits (\$bn). 401(k) and defined-benefit employer contributions, group life, supplemental unemployment and similar. Derivation: 2,880 less 636.3 employer OASDI (row 159) less 1,350 health (row 160) = 893.7. NOTE CORRECTED v71b: previously read 'less 800 ... = 730', which predated the v32 scope fix to row 159.

Include Base 5? (1=yes). Toggle. Set to 0 to exclude and every total below reflows.

BASE 5 TOTAL (\$bn). Employer retirement contributions and other non-health benefits. Health insurance excluded -- see row 160.

Growth spread over payroll. Employer health costs have grown persistently faster than wages. A positive spread, and a durable one.

EXPLICITLY OUT OF SCOPE: CONSUMPTION. Personal consumption expenditures run about \$16,500bn and one % would raise ~\$165bn -- more than any other base per point. Deliberately excluded: Martin's decision, 24 July 2026. It is a separate problem and a separate project, not an oversight.

BASE 6 — NET RENT ON INDIVIDUALLY-OWNED AND SINGLE-MEMBER-LLC PROPERTY

Corporate and institutional landlords are already captured: an operator like Greystar books its rent in corporate operating surplus and is taxed in Base 3. REITs likewise -- they are corporations, and since the dividend deduction was removed their cash flow is fully inside Base 3. Base 6 is the other half of the market: property held by an individual in their own name, or through a single-member LLC, whether one unit or many. Base 4 names capital gains, interest and dividends; rent was on none of those lists.

Component	Value	
Gross rents received by non-corporate landlords (\$bn)	450	
Less: property taxes (% of gross rent)	0.12	
Less: mortgage principal and interest (% of gross rent)	0.22	
Less: standard maintenance allowance (% of gross rent)	0.05	
BASE 6 TOTAL (\$bn)	274.5	
Revenue from Base 6 (\$bn)	16.33	
Growth spread over payroll	0	
RESOLVED -- THE LLC ESCAPE IS CLOSED		
As drafted, restricting Base 6 to property held directly in a natural person's name created a one-form escape: move the deed into a single-member LLC and the rent left Base 6 without arriving in Base 3. That is closed by defining Base 6 to include single-member LLCs explicitly, and by switching on the non-corporate toggle in Base 3 so every partnership, LLC and sole proprietorship is taxed on the same cash-flow measure as a corporation. There is no longer a legal wrapper anywhere in the design that escapes a base.		

SOLVING RATE -- WHAT ACTUALLY CLOSES THE GAP [RE-RUN LIVE AT v91]		
RE-RUN AT v91, 23 September 2026, with the trust fund's bonds held as the reserve. Every figure is a live recalculation of THIS workbook at the stated levy rate. THE FINDING THAT MATTERS: Senior Income Supplement delivery is still a CLIFF, not a slope, but it has moved. 5.78% delivers 67 of 75 years; 5.79% delivers 75 of 75 -- at that rate only by cashing the bonds, so publicly-held debt ends \$3.7tn higher. The plan rate of 5.95% sits SIXTEEN BASIS POINTS above that edge, up from five at v90, because the bonds now carry the early shortfall the fund could not. WHY IT IS SO STEEP: the fund is fed by a residual after benefits and the Supplement are paid, and that residual then compounds at 7.25% real for seventy years. Near the cliff the residual is close to zero, so a small rate change swings the fund by an order of magnitude -- \$0.8tn at 5.79%, \$2.0tn at 5.85%, \$7.7tn at 5.90%, \$16.6tn at 5.95%. WHAT TO DO WITH IT: the honest framing is that 5.95% carries roughly a 0.16% margin over the delivery threshold, and that the margin -- not the headline fund -- is the number to defend.		
Levy rate		
RUNNING AT 5.95% AS OF v91, RE-RUN LIVE ON THE v91 WORKBOOK. Bare solvency on current-law benefits crosses at about 5.19% (5.20% gives +0.054%). The balance AFTER ALL COMMITMENTS crosses at about 5.43% (5.43% gives +0.001%, 5.40% gives -0.039%) -- higher than the 5.28% found at v89, because below the delivery threshold the bonds now pay part of the Supplement and that cost is charged. Reserves never deplete from about 5.70% (5.65% depletes in Year 58); from v91 that test includes Supplement draws on the bonds. Supplement delivery is the binding constraint, not solvency: the system is solvent from 5.19% but does not deliver the Supplement in all 75 years until about 5.79%.		

Sources and reasoning

Gross rents received by non-corporate landlords (\$bn). Residential and small commercial. Corporate and institutional landlords sit in Base 3.

Less: property taxes (% of gross rent). Verifiable from public records -- no self-reporting.

Less: mortgage principal and interest (% of gross rent). Cash basis: the full debt service actually leaves the landlord's pocket. Verifiable from the loan.

Less: standard maintenance allowance (% of gross rent). MARTIN'S RULE. A fixed allowance rather than self-reported repairs, so no landlord itemises and no assessor audits a shoebox of receipts. Set at 5%: the earlier 10% was overly generous against the repair share actually observed. TRANSITIONAL -- from 1 January of the first full calendar year after enactment, maintenance is deducted on invoice, each residential repair transaction recorded with the contractor's tax ID, name and address, reported annually or forfeited. The allowance covers the years before that date; invoices cover the years after. Same rule applies to Base 12.

BASE 6 TOTAL (\$bn). Gross rent less property taxes, less mortgage INTEREST only, less a fixed 10% maintenance allowance. v55: the note formerly here described the deduction as the full loan payment including principal, which D181 removed at v52/v53 -- principal repayment builds the owner's equity and is not an expense. Applies to individually held and single-member-LLC property.

Revenue from Base 6 (\$bn). Small in absolute terms, but it closes a visible hole.

Growth spread over payroll. Rents have outpaced wages modestly over long periods.

SOURCE 7 — NON-PROFIT GROSS OPERATING SURPLUS (BEA NPISH BASIS)

Component	Value	
Non-profit gross operating surplus, BEA NPISH basis, 2026 (\$bn)	275	
Nonprofit net investment income -- interest, dividends, realized gains net of fees, 2026 (\$bn)	200	
Include Source 7? (1=yes)	1	
SOURCE 7 TOTAL -- gross operating surplus, BEA basis (\$bn)	275	
Revenue from Source 7 (\$bn)	16.36	
Growth spread over payroll	0	
WHO PAYS, AT 5.95%		

Sources and reasoning

Non-profit gross operating surplus, BEA NPISH basis, 2026 (\$bn). v69 REBUILT ON BEA, MATCHING BASE 3'S OWN CONSTRUCTION. Was \$120bn on 'operating revenue less expenses' -- a NET INCOME measure, struck after depreciation and interest, and carrying no citation. Base 3 levies GROSS operating surplus (BEA net operating surplus PLUS consumption of fixed capital, NIPA Table 1.14) and Source 10 was moved onto gross operating surplus at v61. Source 7 was the last of the three surplus measures still on a net basis. SOURCE -- MEASURED, NOT ESTIMATED. BEA NIPA, non-profit institutions serving households (NPISH). Gross value added \$1,631.9bn (2025, FRED B702RC1A027NBEA) = compensation of employees \$1,339.6bn (W152RC1A027NBEA) + consumption of fixed capital \$262.4bn (B1621C1A027NBEA) + taxes on production and imports less subsidies \$29.8bn. Those three components exhaust gross value added, which is BEA stating that NPISH NET operating surplus is ZERO by construction: BEA measures non-profit output as the sum of its costs. The sector's GROSS operating surplus is therefore its consumption of fixed capital -- \$262.4bn in 2025, grown at the series' own 5.6% to \$275bn for 2026. SECTOR DEFINITION MATCHES WHAT THE PLAN NEEDS. NPISH covers non-profit hospitals, private non-profit universities, social services and religious organisations. It EXCLUDES non-profits serving business ((c)(6) trade associations and similar), which BEA places inside the business sector where Base 3 already levies them, and it excludes public universities and public hospitals, which are government. No double count in either direction. THIS IS A FLOOR, DELIBERATELY. Two things are left out. (1) The accounting surplus non-profits actually retain -- roughly \$120bn on a Form 990 basis, the former value of this cell -- which BEA nets to zero by convention but which is real retained cash. (2) Interest expense (Form 990 Part IX line 20), which EBITDA adds back and which is material for bond-financed hospitals and universities. On a full EBITDA basis the figure is nearer \$395bn. \$275bn is used because it is the number that can be cited to a BEA series ID and defended line by line to an actuary. PULL TO TEST THE CEILING: IRS SOI annual extract of tax-exempt organization financial data (24eoextract990.zip) -- Part VIII total revenue, Part IX total expenses, Part IX line 22 depreciation, Part IX line 20 interest. That sizes the retained surplus and the interest add-back directly and would move this cell toward \$395bn. INVESTMENT INCOME IS NOT IN THIS FIGURE AND MUST NOT BE ADDED. All dividend income is levied at source in Base 3, which carries no dividend deduction, so investment returns reaching non-profits and endowments have already been levied once. C223 stays a memo. This is settled -- do not reopen it. DOES NOT CHANGE THE SECTOR VERDICT: at \$275bn the non-profit levied base is still about a quarter of the 1.042 break-even ratio at C137, and the sector remains a large net winner from the abolition of the employer contribution. See the SectorIncidence tab. RELATED AND STILL OPEN: the same BEA source shows NPISH compensation of \$1,339.6bn in 2025, implying a non-profit WAGE bill near \$1,115bn for 2026 against the \$700bn typed at Constants C104. That cell is flagged 'REPLACE WITH BLS' and is now known to be low by about a third. It is attribution only -- corporate taxable payroll is the residual at Constants C146, so total revenue does not move -- but it understates the non-profit windfall on the SectorIncidence tab.

Nonprofit net investment income -- interest, dividends, realized gains net of fees, 2026 (\$bn). ONCE-ONLY AUDIT: no longer inside Source 7. Dividends reaching non-profits are levied at the paying company in Base 3, and interest at the recipient in Base 4. Counting it here as well levied the same dollar twice. Retained as a memo. Only NET OPERATING INCOME -- revenue the non-profit itself generates and does not distribute -- is unique to Source 7.

Include Source 7? (1=yes). Toggle. Set to 0 to exclude and every total reflows.

Growth spread over payroll. Endowment income compounds faster than wages and the health/education nonprofits that dominate the sector outgrow payroll. Same modest spread as the personal-capital source.

SOURCE 8 — US-SOURCE INVESTMENT INCOME PAID TO FOREIGN HOLDERS, WITHHELD AT SOURCE

WHY TREATIES DO NOT CAP THIS. US Model Income Tax Convention, Article 2, verbatim: "the Federal income taxes imposed by the Internal Revenue Code (BUT EXCLUDING SOCIAL SECURITY TAXES)." The carve-out is textual and propagates through the bilateral network, which is why totalization agreements exist

separately. Note the framing: the treaty CALLS them taxes and excludes them anyway, so the argument does not depend on winning a definitional fight about whether a contribution is a tax. RESIDUAL RISK: a treaty partner could argue a levy reaching inheritance and business cash flow is an income tax wearing a FICA hat. Enacting under Chapter 21 is strong evidence, not proof.

Component	Value	
Dividends paid to the rest of the world, 2026 (\$bn)	374	
Private-sector interest paid to the rest of the world (\$bn)	706	
Treasury interest paid to foreign holders -- DELIBERATELY EXCLUDED (\$bn)	302	
Include Source 8? (1=yes)	1	
SOURCE 8 TOTAL (\$bn)	1,080	
Revenue from Source 8 (\$bn)	64.26	
Growth spread over payroll	0	
Phase-in years	2	
ONCE-ONLY AUDIT — DEDUCTIONS FROM BASE 3 SO NO DOLLAR IS LEVIED TWICE		
Less: dividends paid to foreign holders — levied in Source 8 (\$bn)	374	
Less: corporate net interest — levied at the recipient in Base 4 (\$bn)	44	
Less: foreign tax already withheld on inbound dividends (\$bn)	39.06	
share of inbound dividends carrying foreign withholding	0.7	
average foreign withholding rate where it applies	0.15	
LOW — earnings share 55%	974.01	
HIGH — earnings share 70%	1,240	
RETIREMENT DISTRIBUTIONS NET OF ROLLOVERS, 2026 (\$bn)	1,771	
SELECTED VALUE — levyable earnings, used in Base 4 (\$bn)	1,222	

Sources and reasoning

Dividends paid to the rest of the world, 2026 (\$bn). BEA NIPA Table 7.10: \$345.7bn in 2024, grown ~4% to 2026. Already withheld at source under IRC 1441 at a 30% statutory rate, so no new machinery is required -- only a new line on an existing form.

Private-sector interest paid to the rest of the world (\$bn). BEA Table 7.11: foreign holders received \$931.5bn of US interest in 2024, of which \$278.8bn came from government. Private-sector portion \$652.7bn, grown ~4% to 2026.

Treasury interest paid to foreign holders -- DELIBERATELY EXCLUDED (\$bn). TOGGLE IN D256, SET TO 0. Levying US government interest paid to foreign holders is economically a haircut on US debt service. It would be priced into yields, raising Treasury borrowing costs, and it works directly against this plan's own debt-retirement result. Foreign holders own roughly \$8-9tn of Treasuries. Set to 1 to include and see the effect, but it is not recommended.

Phase-in years. IRC 1441 withholding already operates. Two years to update forms, rates and custodian systems.

Less: dividends paid to foreign holders — levied in Source 8 (\$bn). Base 3 does not deduct dividends, so a dividend paid to a foreign holder is levied at the company AND again at the withholding agent in Source 8. Deducted here so the withholding agent is the single point of collection. Source 8 keeps the dividend; Base 3 gives it up.

Less: corporate net interest — levied at the recipient in Base 4 (\$bn). Net operating surplus equals corporate profits PLUS NET INTEREST plus business transfers, so interest sits inside Base 3 and again in Base 4 where the recipient receives it. BEA corporate net interest was \$43.8bn in 2025. Removed from Base 3; interest is levied once, at the recipient.

Less: foreign tax already withheld on inbound dividends (\$bn). NO DOUBLE TAXATION. The levy falls on what ARRIVES. Inbound dividends (C45, \$372bn) are levied at the US custodian, but where the source country has already withheld, that withheld portion never reached a US person and is not in the base. France takes 15 of every 100; the levy applies to the 85 that arrives. This is the same rule applied everywhere else in the model -- gross receipts at the point of receipt, no imputation -- and it is the principle behind the v37 FISIM correction. NOTE this is NOT a foreign tax credit: the levy is enacted under Chapter 21 to sit outside the treaty network, so no credit is compelled and none is imported. It is a base definition, not a relief mechanism. Cost: ~\$2.3bn/yr.

share of inbound dividends carrying foreign withholding. ESTIMATE. Major treaty partners withhold on dividends to US persons -- 15% France, Germany, Canada, Switzerland, Netherlands; 10% Japan. The UK, Hong Kong and Singapore withhold nothing on dividends to non-residents, and Australian franked dividends are exempt. 70% is central; 60-80% moves the cost by about \$0.7bn either way.

average foreign withholding rate where it applies. Standard treaty rate for dividends to US persons under the US Model Convention network.

LOW — earnings share 55%. Floor: earnings share 55% of distributions.

HIGH — earnings share 70%. Ceiling: earnings share 70% of distributions.

RETIREMENT DISTRIBUTIONS NET OF ROLLOVERS, 2026 (\$bn). SOI Table 1.4 TY2022 taxable pensions and annuities (\$912bn) plus taxable IRA distributions (\$438bn), grown to 2026, plus estimated qualified Roth distributions. Rollovers are excluded by construction: a rollover reports \$0 taxable.

SELECTED VALUE — levyable earnings, used in Base 4 (\$bn). v49 REPLACES the former inside-the-account estimate of \$1,025bn (range \$500-1,550bn), which had NO published series behind it. The levy now falls on withdrawals, not on realizations inside the wrapper — which also closes a double-levy: under the old treatment a fund that sold A at a gain, bought B and sold B at a gain was levied twice on one pool of money that never left the account. Basis is returned free because contributions already bore the levy going in. Pro-rata (a IRC 72-style exclusion ratio), NOT basis-first ordering, so the revenue profile is smooth rather than deferred a decade. Roth is levied on the same terms.

SOURCE 9 — US PERSONS WORKING ABROAD FOR FOREIGN EMPLOYERS, NET OF LOCAL CONTRIBUTION

Component	Value	
Foreign earned income of US persons, 2026 (\$bn)	150	
Share in jurisdictions where local contribution is BELOW the levy rate	0.3	
SOURCE 9 TOTAL (\$bn)	110.1	
Revenue from Source 9 (\$bn)	6.55	
Extend to totalization partners, on income NET of local tax? (1=yes)	1	
average local tax where a totalization agreement exists	0.38	
Additional base from totalization partners (\$bn)	65.1	

Sources and reasoning

Foreign earned income of US persons, 2026 (\$bn). ESTIMATE, NOT MEASURED. A US citizen employed abroad by a FOREIGN employer pays nothing into OASDI today, yet accrues quarters and will ultimately collect -- the entitlement gap this base closes. IRS SOI publishes Form 2555 (foreign earned income exclusion) and Form 1116 aggregates; roughly 500,000 returns claim the exclusion, and the FEIE cap is \$132,900 for 2026. Total foreign earned income of US persons including non-claimants is put here at \$150bn. THIS FIGURE NEEDS VERIFICATION against IRS SOI Table "Individual Foreign Earned Income / Foreign Tax Credit" before publication.

Share in jurisdictions where local contribution is BELOW the levy rate. THE RULE: levy only what local collection leaves. Every US totalization partner is a high-contribution country -- Germany 9.3% employee, Japan 9.15%, UK NI 8.0%, France 11.3%, Netherlands 17.9%, Canada 5.95% -- all at or above 5.95%, so the levy is fully extinguished and NOTHING is collected there. That matters: totalization agreements are the one treaty network the Chapter 21 argument does NOT escape, since they govern social security coverage specifically. Because the credit extinguishes the levy wherever an agreement exists, no conflict arises. What remains is exactly the gap: Singapore (CPF does not apply to foreigners), Hong Kong (MPF, capped low), the Gulf states, and the Caribbean financial centres -- none of which are totalization partners and none of which levy meaningful social insurance on expatriates. 30% is a central estimate; 20-40% spans \$1.8-3.6bn.

SOURCE 9 TOTAL (\$bn). Non-agreement jurisdictions at C277, plus (if C280=1) agreement jurisdictions on income net of local tax at C282.

Revenue from Source 9 (\$bn). Collected through the existing Form 1040 / Form 2555 filing obligation -- US citizens abroad already file. No new machinery; a new line on an existing return, with a credit for local social-insurance contributions evidenced the same way the foreign tax credit is evidenced today.

Extend to totalization partners, on income NET of local tax? (1=yes). NEGOTIATING POSITION -- DEFAULT ON, EXPECTED TO BE CONTESTED. Set to 1, the levy also reaches US persons working in countries with which the US HAS a totalization agreement, applied to income net of local taxation. Set to 0, it reaches only non-agreement jurisdictions (Gulf, Singapore, Hong Kong, Caribbean) where little or no local social insurance is collected. THE CONFLICT IS REAL AND SHOULD NOT BE UNDERSTATED: totalization agreements exist under section 233 of the Social Security Act precisely to assign coverage to ONE system, and they are the one treaty network the Chapter 21 argument does NOT escape -- tax treaties carve social security out textually, which is WHY these agreements exist separately. Extending the levy here would require overriding or renegotiating roughly 30 bilateral agreements. PRECEDENT FOR TRYING: GILTI and BEAT were enacted unilaterally and negotiated afterward; European digital services taxes were enacted as leverage and traded away in the OECD process. COUNTER-ARGUMENT: those bound foreign companies, whereas this binds US CITIZENS, a sympathetic and organised constituency, and the US holds no obvious counter-concession. SCORING HONESTY: if this is expected to be negotiated out, a score that includes it is overstated. Always present the C280=0 sensitivity alongside.

average local tax where a totalization agreement exists. Combined local income tax and employee social insurance across the main agreement partners -- Germany, France, Netherlands, Japan, UK, Canada. ESTIMATE, not measured. The levy applies to what remains, the same rule used for inbound dividends at C266.

SOURCE 10 — GOVERNMENT AND GSE OPERATING SURPLUS

Component	Value
Fannie Mae and Freddie Mac, net income (\$bn)	28.5
Federal Home Loan Banks (\$bn)	6.4
Farm Credit System and Farmer Mac (\$bn)	7.1
State and local government enterprises (\$bn)	75.79
Federal Reserve net earnings (\$bn)	0
SOURCE 10 TOTAL (\$bn)	123.79
Revenue from Source 10 (\$bn)	7.37
Federal government enterprises -- USPS, TVA (\$bn)	6

Sources and reasoning

Fannie Mae and Freddie Mac, net income (\$bn). POPULATED. Cash-flow-positive GSEs are levied on NET CASH AFTER CAPEX, BEFORE EXECUTIVE COMPENSATION. Fannie ~\$17bn and Freddie ~\$12bn, less their share of ~\$1bn combined GSE capex, plus exec comp added back. Because BEA places GSEs inside private financial corporations, this amount is CARVED OUT of Base 3 at C39 so it is levied once, not twice. Loss-making GSEs pay zero and do not net against the others.

Federal Home Loan Banks (\$bn). POPULATED. Federal Home Loan Banks, same basis as C285. Carved out of Base 3 at C39.

Farm Credit System and Farmer Mac (\$bn). POPULATED. Farm Credit System banks and associations, and Farmer Mac. Same basis. Carved out of Base 3 at C39.

State and local government enterprises (\$bn). v61 REBUILT ON GROSS OPERATING SURPLUS. Was a \$40bn author estimate on something closer to net income. Now BEA's own production account for state and local government enterprises (WP2022-8 Table 6, \$40.4bn in 2012) scaled to 2026. Public transit and housing and urban renewal are excluded because they fail the enterprise test — they pay zero and do not net against the functions that pass. Hospitals and solid waste management are included, per the same paper. The measure is EBITDA, identical to Base 3.

Federal Reserve net earnings (\$bn). SET TO ZERO. The System is running a consolidated DEFERRED ASSET of about \$236bn as of July 2026; remittances have been zero since September 2022 and NY Fed projections put resumption at 2030 or later. In a normalized year the Fed earned \$107.9bn (2021), which would be \$6.4bn of levy -- but it is both currently nil and the most purely circular item on this list. Revisit if remittances resume.

Federal government enterprises -- USPS, TVA (\$bn). v61 POPULATED. Federal government enterprises, floored function by function. TVA and the federal power marketing administrations carry positive EBITDA; the Postal Service is negative even after adding back depreciation, so it pays nothing and does not net against TVA. Federal enterprises are excluded from BEA B4179C/B4180C entirely, so they need this separate line.

SOURCE 11 — NONRESIDENT-ALIEN STUDENT AND EXCHANGE VISITOR WAGES (F-1 / J-1 / M-1 / Q)

This block is retired. It computed the sector split from typed shares and gave state and local a zero levy even though Source 10 levies their enterprise surplus, so it disagreed with the SectorIncidence tab by the amount of that levy. The live table is the SectorIncidence tab: it derives every sector share from the wage bills at Constants rows 103-104 and 125-128, carries a GSE line, and reconciles to C16, C116, C40, C226, C291 and C164 exactly, with no tolerance. Nothing references these rows any more.

Component	Value
F-1 OPT/CPT and J-1 wages, 2026 (\$bn)	15
SOURCE 11 TOTAL (\$bn)	15
Revenue from Source 11 (\$bn)	0.89
GSE subtotal, carved out of Base 3 (\$bn)	42
SECTOR INCIDENCE — MOVED TO ITS OWN TAB AT v60, REBUILT AT v61	

Sources and reasoning

GSE subtotal, carved out of Base 3 (\$bn). Memo. Deducted inside Base 3 at C39 and levied in Source 10, so GSE surplus is levied once. Also the GSE levied base on the SectorIncidence tab.

BASE 12 — RESIDENTIAL PROPERTY DISPOSAL GAINS, REAL

The one asset class that escapes. Realized gains on investment property and second homes already sit in Base 4; what is absent there is the principal-residence gain excluded by IRC 121. Base 12 reaches exactly that, so nothing is charged twice. Levied on REAL gains: the basis is indexed to inflation, because every other base is measured in current dollars in the year it is levied and only this one spans decades. Deducted: the invoiced cost of maintenance and improvement, property taxes and HOA fees. Section 121 does NOT carry over -- this is a separate levy on a separate base, and it does not interact with the income tax.

Component	Value	
Principal-residence disposals per year (mn)	3.44	
Average sale price (\$)	410,000	
TIER 1 -- held more than 15 years: share of disposals	0.30	
TIER 1 -- NET gain, % of sale price	0.1936	
TIER 1 BASE (\$bn)	81.98	
TIER 2 -- held 2 to 15 years: share of disposals	0.62	
TIER 2 -- NET gain, % of sale price	0.0710	
TIER 2 BASE (\$bn)	62.13	
TIER 3 -- held less than 2 years: share of disposals	0.08	
TIER 3 -- gain, % of sale price	0.30	
TIER 3 BASE (\$bn)	33.87	
Share check -- the three tiers must sum to 1.00	1.00	
BASE 12 TOTAL (\$bn)	177.98	
Revenue from Base 12 (\$bn)	10.59	

Sources and reasoning

Principal-residence disposals per year (mn). Existing-home sales (NAR, seasonally adjusted annual rate) less the investor and second-home share already inside Base 4.

Average sale price (\$). [ESTIMATE] Anchored on the NAR median existing-home sale price for 2026. The mean runs above the median, so this is the conservative choice for the two paying tiers. Replace with a real pull when the series is to hand.

The tier structure. ONE RULE, THREE OUTCOMES. The rule is identical for every seller: sale price, less the purchase price restated in current dollars by CPI, less substantiated improvements, less property taxes. Mortgage interest is NOT deductible -- it buys leverage, it does not build the asset. Nobody is exempted and nobody is targeted; the rule simply lands differently depending on whether the seller waited for the gain or manufactured it. The tiers are a scoped estimate of where it lands, not three different rules.

Tier 1 -- held more than 15 years. 19.36% of sale price, and the number is derived from the rule rather than assumed. Two v87 rulings set it: the maintenance allowance is 1% of the CPI-indexed purchase price for each year of ownership, and property tax is NOT deductible. Excluding imputed rent is already generous to owner-occupiers, so non-deduction is the partial offset. Worked case: a house bought in 1996 for \$100,000 and sold in 2026 for \$600,000 carries an indexed basis of \$210,000 and a thirty-year allowance of \$63,000, leaving a real gain of \$327,000 and a levy of about \$19,500 -- roughly 6% of the gain and 3% of the sale price, payable over the shorter of ten years or the ownership period. This tier is 30% of disposals and carries \$81.98bn, 46% of the base.

Tier 2 -- held 2 to 15 years. THE SOFT NUMBER, and the one that carries the estimate: this tier is 62% of disposals and 35% of the base. The 7.1% is a NET gain -- after indexing and the maintenance allowance -- not a gross one. It is also the figure only real collection data can settle, because the improvement receipts that would measure it do not exist until the substantiation rule has been running. Sensitivity: at 10% Base 12 raises \$15.0bn, at 7.1% \$10.6bn, at 5% \$8.5bn.

Tier 3 -- held less than 2 years. The flipper, who bought the gain rather than waiting for it. Two years of CPI adds about 5% to basis against thirty years' 110%, and mortgage interest is not deductible, so nearly the whole gain is exposed. Worked case: a gut rehab bought in 2024 for \$350,000 with \$150,000 of invoiced rehabilitation, sold in 2026 for \$750,000 - taxable gain \$217,018, levy \$12,913, which is 7.9% of the \$164,138 actually cleared. Against current law that is LESS than the \$18,796 of SECA a dealer owes today, and more than the \$0 owed by anyone who structured the profit as a capital gain or ran it through an S-corporation. There is nothing to structure around: the levy attaches to the disposal, not to the character of the profit. Cross-check: ATTOM counts 297,045 flips a year, 7.4% of all home sales, buying at a median \$260,000 and reselling at \$326,000.

Status of this base. PARAMETRIZED PLACEHOLDER FOR MODEL COMPLETENESS. Every input is a named constant at Constants 214-219 and each is flagged. The tier shares reproduce the roughly 10-year median seller tenure reported by NAR. This is a scoped estimate, not a measured base. Stated expectation: with a working collection system the true figure is LARGER than this, so the placeholder is the conservative end.

Substantiation -- and why the enforcement net is the point. From 1 January of the calendar year after enactment, every independent contractor must issue a receipt carrying name, tax ID, license number and business address for any service on a residential property; suppliers issue the same without a license number, and materials the homeowner buys directly count. The homeowner files them annually with Social Security, which holds a running basis account per property; on sale the account is closed against the sale document and the net gain computed. The mechanism polices itself, because the two parties want opposite things: the homeowner wants the receipt as LARGE as possible because it lifts basis, and the contractor pays 5.95% on every dollar of it, so a padded receipt costs the issuer real money. Invoices supersede the fixed allowance from the cutover, for every owner -- never both. The basis account resets on transfer, and at death the heir starts at date-of-death value because Base 2 has already levied the gross flow. **THE REVENUE IS NOT THE POINT:** a receipt carrying a tax ID is a payment matchable against what that contractor declared, which lights up Base 1 and Base 3 across the whole unlicensed trades economy.

Growth spread over payroll. Residential disposal gains track house prices, which track wages over long periods with a small positive spread.

SOURCES 13–17 — INSIDE BUILDUP, 1031 ROLLOVERS, LOTTERY AND GAMBLING, IRREVOCABLE TRUST GAINS, ROYALTIES

Five flows the plan did not otherwise reach, added at v84 to v86. Each is levied at source by a counterparty that already handles the money: the insurance carrier, the qualified intermediary holding 1031 exchange proceeds, the lottery or gaming operator, the trustee, and the payer of a royalty. Insurance is levied only when it goes to someone else; claims paid to the insured for their own loss are indemnity and never levied. Each source has an on/off switch on the Control Panel (rows 42-46), and all five are on.

Component	Value	
SOURCE 13 — INSIDE BUILDUP, CASH-VALUE LIFE INSURANCE AND NONQUALIFIED ANNUITIES		
Switch (Control Panel C42)	1	
Household life insurance reserves (\$bn)	2,254.2	
Annuity reserves outside retirement accounts (\$bn)	2,600	
Average return credited inside the contract	0.0425	
Annual inside buildup (\$bn)	206.3	
Less: share already levied at exit (credited)	0.4	
SOURCE 13 TOTAL (\$bn)	123.78	
Revenue from Source 13 (\$bn)	7.37	
SOURCE 14 — REAL PROPERTY GAINS ROLLED OVER UNDER SECTION 1031		
Switch (Control Panel C43)	1	
Partnerships, real estate, gains deferred 2007 (\$bn)	31.39	
Individuals, real estate, gains deferred 2007 (\$bn)	19.72	
Scale to 2026 (values and volume)	1.5	
Less: share later recognized in a taxable sale (Base 4)	0.3	
SOURCE 14 TOTAL (\$bn)	53.67	
Revenue from Source 14 (\$bn)	3.19	
SOURCE 15 — LOTTERY PRIZES AND GAMBLING WINNINGS, AT SOURCE		
Switch (Control Panel C44)	1	
State lottery prizes paid (\$bn)	70.2	
Casino, sportsbook, racetrack and online winnings paid to identified winners (\$bn)	66.77	
SOURCE 15 TOTAL (\$bn)	136.97	
Revenue from Source 15 (\$bn)	8.15	
SOURCE 16 — ANNUAL RETAINED GAIN OF IRREVOCABLE TRUSTS, AT THE TRUSTEE		
Switch (Control Panel C45)	1	
Assets in irrevocable trusts (\$bn)	3,000	

Annual price appreciation (excludes interest and dividends)	0.04	
Less: share paid out as principal (levied at the recipient)	0.25	
Less: share realized and already in Base 4	0.2	
SOURCE 16 TOTAL (\$bn)	66	
Revenue from Source 16 (\$bn)	3.93	
SOURCE 17 — ROYALTIES TO INDIVIDUALS: OIL, GAS, MINERALS, PATENTS, COPYRIGHTS		
Switch (Control Panel C46)	1	
Royalty income of persons, BEA, 3-year average (\$bn)	53.45	
SOURCE 17 TOTAL (\$bn)	53.45	
Revenue from Source 17 (\$bn)	3.18	
SOURCES 13–17 COMBINED BASE (\$bn)	433.88	
Revenue from Sources 13–17 (\$bn)	25.82	
Growth spread over payroll	0	

Sources and reasoning

Source 13 switch (Control Panel C42). Levied annually at the carrier on growth inside the contract, and credited at payout so nothing is charged twice. Insurance is levied only when it goes to SOMEONE ELSE: death benefits to beneficiaries sit in Base 2. Claims paid to the insured for their own loss (home, auto, health, disability) are indemnity and never levied.

Household life insurance reserves (\$bn). SOURCED. Households and nonprofits, life insurance reserves (asset), Federal Reserve Financial Accounts Z.1, Table L.228, 2025 Q3.

Annuity reserves outside retirement accounts (\$bn). SOURCED. Annuity reserves outside retirement accounts, end-2025, Investment Company Institute quarterly retirement market data. Annuities inside IRAs and plans are excluded -- Base 4 reaches them at distribution.

Average return credited inside the contract. [ESTIMATE] Average annual return credited inside cash-value policies and nonqualified annuities, net of charges. General-account yields run about 4-5%. Range 3.5%-5.5%.

Less: share already levied at exit (credited). [ESTIMATE] Share of annual inside buildup already levied when it leaves the contract -- cash value paid inside a death benefit to another person (Base 2) and earnings in annuity distributions (Base 4). Netted out so nothing is charged twice. Range 0.3-0.6.

Source 14 switch (Control Panel C43). The rollover is eliminated for Social Security purposes: the exchange is treated as a sale and the gain is levied at the levy rate on every exchange, no threshold. Collected by the qualified intermediary. Income-tax deferral is untouched.

Partnerships, real estate, gains deferred 2007 (\$bn). SOURCED. Real-estate partnerships, like-kind exchange gains deferred, tax year 2007. US Treasury Office of Tax Analysis, 'The Tax Treatment of Like Kind Exchanges' (2014).

Individuals, real estate, gains deferred 2007 (\$bn). SOURCED. Individual returns, real estate, like-kind exchange gains deferred, tax year 2007. Same Treasury OTA paper. C-corporation deferrals excluded: corporate property gains already sit in Base 3.

Scale to 2026 (values and volume). [ESTIMATE] Growth in real-estate values and exchange volume, 2007 to 2026. 2007 was a market peak, so the scale is kept modest. Range 1.2-2.0.

Less: share later recognized in a taxable sale (Base 4). [ESTIMATE] Share of exchanged gain that would later be recognized in a taxable sale and so already reach Base 4. Netted out. Range 0.2-0.5.

Source 15 switch (Control Panel C44). Withheld by the payer on every lottery prize and on winnings paid to identified winners (hand-pays, racetracks, sportsbook and online accounts). Anonymous slot tickets and table play are out: not collectible, and the operator margin is already in Base 3.

State lottery prizes paid (\$bn). SOURCED. State lottery prizes paid, fiscal 2024, US Census Bureau Annual Survey of State Government Finances. Levied at source on every prize, no threshold.

Casino, sportsbook, racetrack and online winnings paid to identified winners (\$bn). DERIVED (was a \$30bn estimate). Non-lottery winnings paid to IDENTIFIED winners -- casino hand-pays, keno, bingo, racetracks, sportsbooks and online accounts -- = all W-2G winnings less the lottery share. RULED 17 Sep 2026: the levy reaches identified winners only, because it has to be collectible; anonymous slot tickets and table play stay out, and the operators' margin on them is already in Base 3.

Source 16 switch (Control Panel C45). The trust rule: levied each year at the trustee on closing value less opening value less contributions, marked to market. Principal paid out is levied at the recipient instead. Closely held assets valued professionally every five years.

Assets in irrevocable trusts (\$bn). [ESTIMATE -- THE WEAKEST INPUT IN THE SOURCE] Assets held in IRREVOCABLE (non-grantor) trusts, the ones that file Form 1041 as separate taxpayers. No national total is published. Anchors: South Dakota trust companies alone disclose about \$367bn; bank trust departments report personal trust assets on FFIEC Schedule RC-T. Range \$2tn-\$6tn. Revocable living trusts are NOT in this line: their assets are the grantor's own, reached at sale (Base 4, Base 12) and at death (Base 2).

Annual price appreciation (excludes interest and dividends). [ESTIMATE] Annual price appreciation of a typical trust portfolio, nominal, EXCLUDING interest and dividends (those already sit in Base 4). A 60/40 portfolio at historical rates. Range 3%-6%.

Less: share paid out as principal (levied at the recipient). [ESTIMATE] Share of the annual gain paid out as principal. Under the trust rule it is levied at the recipient instead, so it is netted out here. Range 0.1-0.4.

Less: share realized and already in Base 4. [ESTIMATE] Share of the gain realized and passed through to beneficiaries' own returns, and so already inside Base 4 realized gains. Netted out to avoid a double charge. Range 0.1-0.3.

Source 17 switch (Control Panel C46). Withheld by the payer (the operator or licensee), which already issues Form 1099-MISC for every royalty paid.

Royalty income of persons, BEA, 3-year average (\$bn). SOURCED. Royalty income of persons from patents, copyrights and rights to natural resources (oil, gas, coal, minerals), BEA NIPA rental income of persons, private business, royalties (FRED B1439C1A027NBEA): \$66.1bn 2022, \$48.0bn 2023, \$46.3bn 2024. Three-year average used because oil and gas prices swing it hard. Not inside Base 3 (non-corporate GOS excludes rental income of persons) or Base 6 (gross rents only). Royalties paid to partnerships and corporations are already inside Base 3. Federal and state royalties go to government and are out.

Growth spread over payroll. Grows with taxable payroll. Inside buildup and property values have historically outrun payroll, so this is conservative.